

AGREEMENT

This Agreement is made and entered into this ____ day of January, 2006, by and between the Berkeley County School District ("District") and Knauff Insurance Company ("Knauff").

WITNESSETH:

WHEREAS, the District issued on April 21, 2005, Request for Proposals No. 181-(04-05) for "Insurance Services Beginning June 29, 2005" and Knauff responded on May 25, 2005;

WHEREAS, the District cancelled the insurance solicitation on June 22, 2005, and thereafter procured insurance services as an emergency procurement;

WHEREAS, Knauff protested by letter dated July 6, 2005, which was denied by the District by letter dated July 15, 2005;

WHEREAS, Knauff appealed the denial by appeal dated July 22, 2005 ("Protest Appeal");

WHEREAS, the parties acknowledge that the District periodically and in conformity with the District's Procurement Code, as may be amended or updated from time to time, and South Carolina law, will procure insurance and Knauff is not debarred from participation in such future solicitations; and

WHEREAS, the District and Knauff have agreed to resolve all issues on the terms and conditions hereof.

NOW THEREFORE, in consideration of the premises and intending to be bound, it is agreed as follows:

1. Knauff withdraws and dismisses with prejudice the Protest Appeal.
2. The District will pay to Knauff a commission of fifteen (15%) per cent on the following five, "net of commission"¹ contracts, now in full force and effect, for the term of these policies or the renewal thereof:
 - (1) Crime/Fidelity;
 - (2) Healthcare Professionals;
 - (3) School Leaders Errors and Omissions;
 - (4) Excess Liability; and

¹ The method by which the commission shall be calculated shall be dividing the net premiums by 0.85 and subtracting the net premiums. The resulting difference is the amount of the commission.

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- (5) Builders Risk for the following construction projects, which will continue until the construction projects are complete: Daniel Island Elementary/Middle School; Berkeley Middle School; College Park Middle School; and Food Service Warehouse.

3. Upon execution of this Agreement, the District will pay to Knauff a fee of twelve thousand five hundred (\$12,500.00) dollars for claims management services on policies previously secured by Knauff. Knauff will provide claims management services on the above five policies as long as the policies remain in place and Knauff receives a commission on them.

4. Knauff has no claim against the District for commissions, fees or other charges or expenses not provided in this Agreement.

5. This Agreement does not foreclose terms in any future contract that may be formed between the parties by mutual agreement as a result of a future solicitation of products or services pursuant to the District's Procurement Code.

6. All appeals, claims, or disputes between Knauff and the District will be resolved in accordance with the District's Procurement Code, as may be amended or updated. After exhausting the administrative process under the District's Procurement Code, Knauff agrees that judicial venue for any suit, action or proceeding arising out of or relating to this Agreement shall be proper only in the Court of Common Pleas for Berkeley County, South Carolina, and Knauff and the District hereby waive and disclaim any and all right to a jury trial on any controversy arising from this Agreement. This Agreement shall be governed by the laws of the State of South Carolina. Knauff and the District agree that before initiation of litigation concerning a dispute arising under this Agreement, the parties will submit such dispute to an agreed upon neutral for non-binding mediation.

IN WITNESS WHEREOF, the parties have agreed on the date first above written.

Knauff Insurance, Inc.

Berkeley County School District

By: _____

By: _____

As Its: _____

As Its: Superintendent

VEN# 374610

PO # _____
Account # 100-2540324.114-000

Complete or Partial / Date Rec'd _____

Rec'd By _____

Approved By DA

\$ 12,500.00
per attorney

please return check to
Brantley
for mailing.